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Premier Matyas Rakosi's speech to the Central Committee of the Hungarian Workers' Party, on 30 November 1951, included the following statements:

"In the course of the last 4-5 years a radical change has taken place in our People's Democracy: An agricultural country became an industrialized state and industrialization is still rapidly advancing.

Parallel to this development the standard of living of the wage-earners has risen considerably. As a consequence the demand for consumer goods, such as bread, meat, and fat, has increased. At the same time consumption in the villages too developed favorably. The population expends therefore incomparably more consumer goods than before the war. In numbers this is self-evident: Our industrial production has increased 250% (sic) in comparison with the last peace-year, whereas agricultural production increased only 110% (sic) in comparison with the average production of the last ten pre-war years.

We have not pondered in time what bearing this development might have on our economic life. We have, for example, not drawn the necessary conclusions in regard to what this situation indicates regarding our foreign trade. In order to guarantee the import of cotton, leather, rubber, metals, and machines we have exported great quantities of foodstuffs very much to the same degree as if we were an agricultural country and as if our own requirements were much smaller than they actually are."

1. It is not impossible that this speech by Rakosi is a precursor of an intensified Hungarian tendency to import only the most essential raw material and export finished goods rather than foodstuffs.
2. Confidential information seems to bear out the above tendency: A commission of the Central Committee of the Hungarian Workers' Party is in the process of reviewing the commercial agreements most recently concluded with the West by the Hungarian Foreign Trade Ministry.
3. Further restrictions on cellulose imports from Austria are already in effect. These might have resulted from the changing trade structure with the West or by financially more advantageous Swedish offers of sodium cellulose for Hungarian consumption.

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